

Illinois Commerce Commission
Assessment of AmerenUE's
2000 Reliability Report

Pursuant to 83 Ill. Adm. Code 411.140

December 2001

1 Executive Summary

Pursuant to Section 16-125 of the Illinois Public Utilities Act and the Commission's electric reliability rules as found in 83 Illinois Administrative Code, Part 411, AmerenUE filed its annual electric reliability report for the year 2000. This document details Staff's assessment of AmerenUE's reliability report and evaluation of AmerenUE's reliability performance for calendar year 2000.

AmerenUE provided the information required by 83 Illinois Administrative Code Part 411 in their 2000 Reliability Report, however, Ameren's report organization makes locating specific information difficult.

An area of the report of concern to Staff is AmerenUE's plan for reliability improvement. AmerenUE's Reliability Report lists several specific reliability projects, but only two saw significant expenditures in 1999 or 2000: annual tree trimming and pole inspection/treatment. The same two specific reliability projects are the only ones receiving funding in 2001. While both of these programs will help promote reliable service, in future reports AmerenUE should offer an explanation as to why other projects listed within their plan have no funding or activity proposed.

During 2000, AmerenUE provided its customers with the lowest average frequency of interruptions, but the highest average duration of interruptions of all the reporting electric utilities. This means that, in general, interruptions to customers on AmerenUE's Illinois system happened less often than they did to customers served by other Illinois utilities, but that when electric service was interrupted it took AmerenUE longer to restore it.

AmerenUE's improvements in reducing their average interruption frequency indices during 2000 are commendable, however, two trends relating to reliability cause concern. First, AmerenUE has had the highest average interruption duration (CAIDI) for all three years that Illinois utilities have had to report this index, and second, AmerenUE has a very high percentage of controllable interruptions that are categorized as intentional. Both trends indicate a lack of concern for the effect of interruptions on customers.

For 2000, AmerenUE's combined capital and O&M (operations and maintenance) expenditures for their distribution system totalled \$12,622,000, which was approximately 11% higher than planned in their 1999 Reliability Report. An additional 15% increase in funding is planned for 2001. AmerenUE is planning to achieve and maintain a 4-year tree trimming cycle by June 30, 2002, and this funding will help support this goal. Staff will continue to monitor AmerenUE's progress toward achieving a 4-year tree trimming cycle.

The reliability improvements that AmerenUE planned or executed on their 1999 and 2000 worst performing circuits to reduce the risk of interruptions were appropriate. During the summer of 2001, Staff inspected two worst performing circuits from 2000 and one from 1999. Staff found reasonably well maintained circuits, though noted that the facilities in the East St. Louis area appeared to be very old.

Staff recommends several steps AmerenUE can take to improve electric service reliability to its Illinois customers on page 10 of this report. These recommendations are summarized below:

- develop substantive reliability goals with timetables.
- reduce the overall duration time of interruptions.
- achieve and maintain a 4-year tree trimming cycle.
- increase their efforts to minimize weather-related interruptions.
- develop a plan to inspect, monitor, and replace aging equipment.

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2 Introduction

Beginning with the year 1999 and every three years thereafter, 83 Illinois Administrative Code Part 411.140 requires the Commission to assess the annual reliability report of each jurisdictional entity and evaluate the entities' reliability performance. Code part 411.140 requires the Commission evaluation to:

- A) Assess the reliability report of each entity
- B) Assess the jurisdictional entity's historical performance relative to established reliability targets.
- C) Identify trends in the jurisdictional entity's reliability performance.
- D) Evaluate the jurisdictional entity's plan to maintain or improve reliability.
- E) Identify, assess, and make recommendations pertaining to any potential reliability problems and risks that the Commission has identified as a result of its evaluation.
- F) Include a review of the jurisdictional entity's implementation of its plan for the previous reporting period.

This document assesses the annual reliability report covering calendar year 2000 filed by AmerenUE, and evaluates AmerenUE's reliability performance for calendar year 2000. This report is organized to follow the above listed requirements.

3 Assessment of AmerenUE's 2000 Reliability Report

AmerenUE's Revised 2000 General Assessment of Electric Service (Reliability Report), dated June 29, 2001, complies with the requirements specified in 83 Illinois Administrative Code 411.120 (Part 411.120).

Ameren does not organize their Reliability Reports sequentially to match the applicable subparts of Part 411.120, as do the other reporting utilities in Illinois. Instead, Ameren organizes their reports under eleven unique headings. This different formatting of the Reliability Report makes finding specific Part 411.120 requirements and comparison to other utility's information difficult. Staff suggests that starting with the 2001 Assessment Report, AmerenUE organize their Reliability Report by the applicable subparts of Part 411.120.

Within their Reliability Report, AmerenUE provides tables of reliability indices, operating practices, specific reliability projects, listings of interruptions with causes, the ages & condition of the system, and a listing of the worst performing circuits.

An area of AmerenUE's Reliability Report that Staff would like to see expanded in their 2001 Reliability Report relates to AmerenUE's compliance with Part 411.120(b)(3)(A). This part requires the utility's annual report to include a plan for future investment and, where necessary, reliability improvements. The plan is to cover a period of three years, identify all foreseeable reliability challenges, and address each with specific projects. It is also to set goals, and have a timetable for achieving them.

In their 2000 Reliability Report, AmerenUE's plan for future investment, identifying challenges, and setting timetables for goals consists of a list of six specific reliability projects, most with no future work planned and no funds spent in 2000. Only for AmerenUE's pole inspection and treatment project and their annual tree-trimming program were significant funds spent in 2000. In order to more fully comply with Part 411.120(b)(3)(A) (ii, iii and iv), AmerenUE should provide information that accurately states planned specific reliability activities, along with proposed schedules, and explanations if these goals are not met.

4 AmerenUE's Historical Performance Relative to established Reliability Targets

AmerenUE states that of the 197 distribution circuits they operate in Illinois (1337 miles), 26 operate at 34kV, and 171 operate below 15kV. These facilities provide service to approximately 62,750 customers in the areas of East St. Louis and Alton.

Part 411.140(b)(4)(A-C) sets forth the reliability targets that a jurisdictional entity must strive to meet or exceed. These targets specify a maximum quantity and duration of outages that any customer should expect to experience. However, Part 411.120(b)(3)(K)&(L) does not require the utility to report individual customer outage data until the 2001 report, which will be filed June 1, 2002. Table 1 summarizes the reliability targets defined in Part 411.140(b)(4)(A)-(C).

Table 1: Reliability Targets

Immediate primary source of service operation level	Maximum number of controllable interruptions in each of the last three consecutive years.	Maximum hours of total interruption duration due to controllable interruptions in each of the last three years.
At 69kV or above	3	9
Between 15kV & 69kV	4	12
At 15kV or below	6	18

A "controllable interruption" is defined in Part 411.20 as:

"...an interruption caused by or exacerbated in scope and duration by the condition of facilities, equipment, or premises owned or operated by a jurisdictional entity, or by the action or inaction of persons under a jurisdictional entity's control and that could have been prevented through the use of generally accepted engineering, construction, or maintenance practices".

AmerenUE designated 421 interruptions in 2000 as being controllable, which is a reduction from 1999, when AmerenUE designated 481 controllable interruptions. For 2000, AmerenUE categorizes 298 controllable interruptions as "Intentional", or 71% of the total number of controllable interruptions for the year. In 1999, intentional interruptions accounted for 73% of all controllable interruptions. Staff finds this to be excessive. AmerenUE should review and re-evaluate their engineering, construction and maintenance practices in light of the high percentage of controllable interruptions attributed to intentional actions. Table 2 lists AmerenUE's controllable interruptions by cause category for 2000 and 1999.

Table 2: AmerenUE Controllable Interruptions by Cause for 2000 and 1999

Cause	Year 2000 Report	Year 1999 Report
Other Alternative Retail Electric Supplier	0	0
Jurisdictional Entity / Contractor Personnel Errors	16	27
Customer	0	0
Public	0	0
Weather Related	0	0
Animal Related	0	0
Tree Related	101	101
Overhead Equipment Related	3	0
Underground Equipment Related	0	2
Intentional	298	351
Transmission and Substation Related	0	0
Unknown	2	0
Other	1	0
TOTAL	421	481

Reliability indices are useful tools in monitoring an electric utility's historical reliability performance. These indices, submitted by all reporting utilities, can be used to compare the reliability performance of various utilities, and also provide an indication of whether a given utility's performance is improving or degrading from year to year. Part 411 requires each reporting Illinois utility to report the following indices:

- $SAIFI = \frac{\text{Total \# Customer Interruptions}}{\text{Total \# Customer Served}}$
- $CAIDI = \frac{\text{Sum of all Interruption Durations}}{\text{Total \# Customer Interruptions}}$
- $CAIFI = \frac{\text{Total \# Customer Interruptions}}{\text{Total \# Customers Affected}}$

Table 3 (a-c) shows the year 2000 indices submitted by all reporting utilities for their Illinois systems. Each table is sorted from best to worst performance.

Table 3: Illinois Utility Reliability Indices for Calendar Year 2000**a) SAIFI**

UTILITY	SAIFI
AmerenUE	1.14
ComEd	1.43
MidAmerican	1.52
Ameren-CIPS	1.54
CILCO	1.65
Illinois Power	1.65

b) CAIDI

UTILITY	CAIDI
Ameren-CIPS	103.9
MidAmerican	121.2
ComEd	144.0
CILCO	157.8
Illinois Power	168.0
AmerenUE	219.0

c) CAIFI

UTILITY	CAIFI
AmerenUE	1.91
ComEd	2.08
MidAmerican	2.16
CILCO	2.18
Ameren-CIPS	2.23
Illinois Power	2.47

Part 411.120(b)(3) requires the reporting utility to list its worst performing circuits (subsection I) and state what corrective actions were taken or are planned to improve these circuit performances (subsection J). AmerenUE selected its worst performing circuits from those circuits with the lowest performance based on their reliability indices. Table 4 shows the AmerenUE circuits with the highest reliability indices (worst overall performance) for 2000.

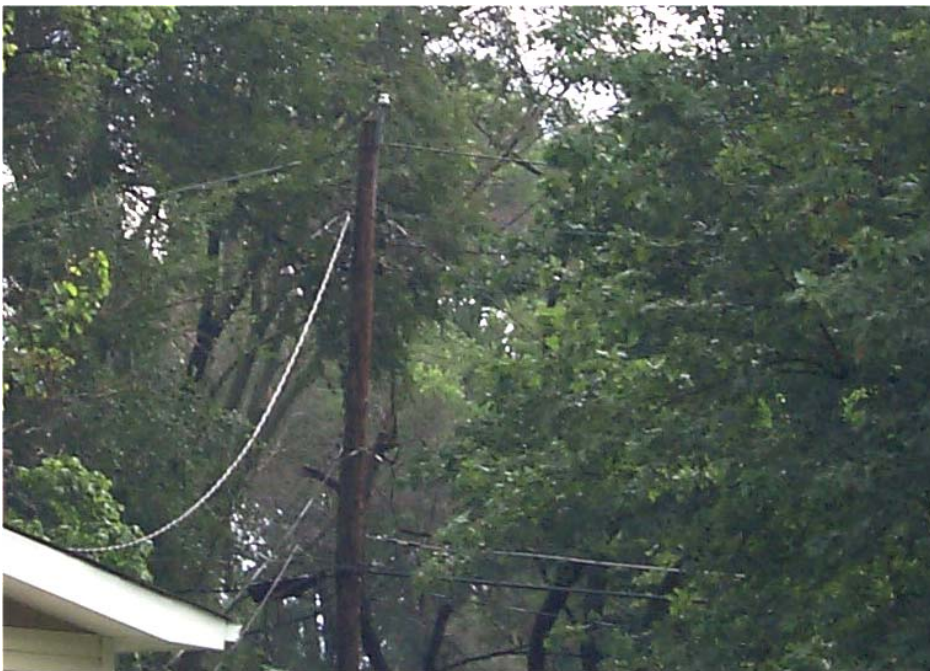
Table 4: AmerenUE Worst Performing Circuits for 2000

<u>Circuit</u>	<u>Area Served</u>	<u>SAIFI</u>	<u>CAIDI</u> (minutes)	<u>CAIFI</u>
302-001	East St. Louis	4.2		4.2
334-001	East St. Louis	3.4		
325-010	Fairview Hts.		2006	
343-002	Fairview Hts.		1042	
349-003	East St. Louis			4.0

As part of its review of AmerenUE's 2000 Reliability Report, Staff engineers inspected two of AmerenUE's worst performing circuits (302-001 & 334-001) and performed a follow-up inspection of one worst performing circuit from 1999 (341-003). The inspections allowed Staff to verify that work was performed on the circuits as stated in AmerenUE's Reliability Report, and to see if there were any visible reasons for the worst performance of these circuits. For example, Staff looked for poor tree trimming practices, broken equipment, rotten poles, damaged equipment, etc. Descriptions of these circuits and inspections follow:

- **Circuit 302-001:** 4kV East St. Louis circuit supplying commercial and residential customers. Of the ten outages on this circuit in 2000, four were due to trees, three due to weather, and three due to failed switches. Proposed work included installing and resizing tap fuses. The circuit was last trimmed in January of 2001. Staff's inspection confirmed that some additional fuses were being installed. The circuit appeared to be reasonably maintained, with no severe tree contacts. The only potential future interruption cause found was a damaged cross-arm.
- **Circuit 334-001:** 4kV East St. Louis circuit supplying commercial and residential customers. Of the thirteen outages on this circuit in 2000, eight were due to weather, and four to trees. Proposed work included the installing and resizing of tap fuses. The circuit was last trimmed in February of 2000. Staff's inspection revealed three damaged cross-arms, one damaged pole top, and one location where trees were very close to a phase conductor. Generally, the circuit appeared to be reasonably maintained.
- **Circuit 341-003:** This Rosemont 4kV circuit was a worst-performer in 1999 that Staff inspected in 2001. In 1999, seven interruptions were due to trees, and five due to weather. The trees on the circuit were last trimmed in December of 2000. The inspection revealed a handful of potential reliability problems, including a broken cross-arm brace, a fallen tree limb across all phases, a phase conductor off the insulator and against the pole (Photo 1), and a split pole top. Again, the circuit appeared to be reasonably maintained.

Photo 1: Primary wire off insulator and against pole (behind residence)



5 Trends in AmerenUE's Reliability Performance

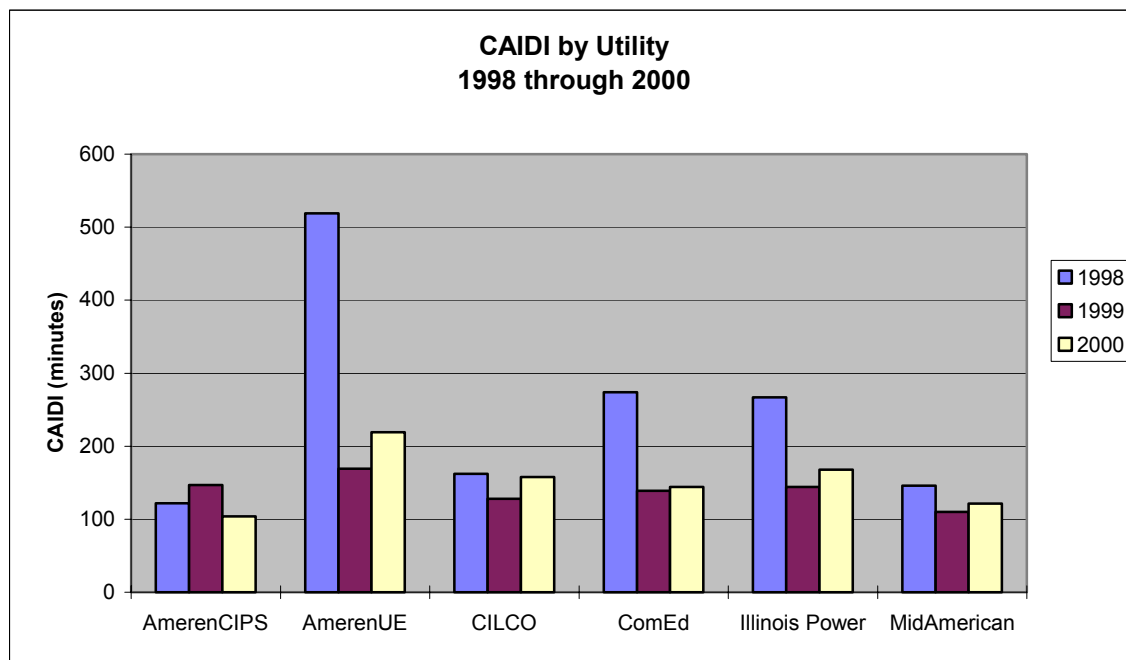
For 2000, AmerenUE's average frequency of system interruptions (SAIFI) and average frequency of customer interruptions (CAIFI) were the lowest of the six reporting Illinois electric utilities, as shown in Table 3. This is a noteworthy improvement over last year, when AmerenUE's SAIFI and CAIFI were both slightly worse than the average values of all reporting Illinois utilities.

In contrast, AmerenUE's average duration of customer interruptions (CAIDI) was nearly an hour longer (51 minutes) than that of the next worst performing utility. Figure 1 shows a comparison of CAIDI indices for the last three years as reported by each utility. AmerenUE's CAIDI index has been the highest (worst performance) each of these years. The Commission is concerned with the trend of AmerenUE having the worst overall CAIDI index. The Commission recommends that AmerenUE review their capability, procedures, manpower, training, system design etc. in light of this trend in CAIDI.

A portion of the increase in the CAIDI index for 2000 can be attributed to one major storm in 2000 versus none in 1999. Even taking into consideration this one storm, the fact still remains that AmerenUE has had the highest CAIDI index each of the three years that the Illinois electric utilities have been required to report reliability information per Part 411.

The Commission's concern for the quality of AmerenUE's customer reliability as shown by the high CAIDI index is further illustrated by AmerenUE's reported unplanned interruptions. The quantity of AmerenUE unplanned interruptions was nearly the same during the years 1999 and 2000, 2162 in 1999 versus 2191 in 2000, but the duration of these interruptions more than doubled, from 5,966 to 12,120 hours.

Figure 1: Comparison of Illinois Utilities by CAIDI (1998 through 2000)



6 AmerenUE 's Plan to Maintain or Improve Reliability

Table 5 illustrates that a majority of AmerenUE's planned increase in transmission and distribution spending through 2003 will be directed toward distribution O&M. This increase is chiefly due to increased tree trimming, and increased activity in their pole inspection and treatment program.

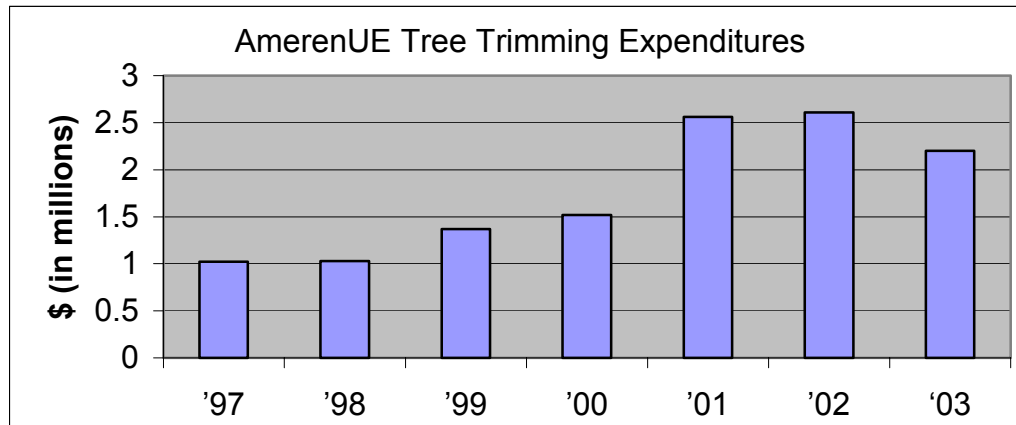
Table 5: AmerenUE's Expenditures for O&M and Capital (2000-2003)

Expenditures	2000 Actual	2001 Planned	2002 Planned	2003 Planned
Distribution O&M	\$7,590,000	\$8,975,000	\$9,054,000	\$8,924,000
Distribution Capital	\$5,736,000	\$6,803,000	\$5,914,000	\$6,337,000
Transmission O&M	\$1,022,000	\$1,025,000	\$1,063,000	\$1,101,000
Transmission Capital	\$1,670,000	\$1,675,000	\$1,737,000	\$1,799,000

The increased expenditures planned by AmerenUE in the areas of tree trimming and pole inspections are appropriate considering their 2000 Reliability Report's summary of interruptions by cause. In that summary, AmerenUE reports that 27.5% of interruptions during the year were weather related, 18.4% were overhead equipment related, and 15.9% were tree related. These three categories combined to account for 62% of AmerenUE's Illinois interruptions, and 86.1% of the time their Illinois customers were without electricity. Because many weather related interruptions also involve trees, Staff believes the increased tree trimming will significantly improve the reliability of electric service to AmerenUE's Illinois customers by reducing the number of interruptions categorized as weather related.

AmerenUE states that all of their Illinois distribution circuits will be on a 4-year tree trimming cycle by June 30, 2002. This schedule matches an agreement that AmerenUE has entered into with Staff (Attachment A), and further explains AmerenUE's increase in tree trimming funding in future years, as illustrated by Figure 2.

Figure 2: Actual and Planned Tree Trimming Expenditures (1997-2003)



At the end of the 3rd quarter of 2001, AmerenUE had trimmed trees on 91 out of 156 circuits. In order to achieve the 4-year tree trimming cycle in accordance with their agreement, AmerenUE needs to trim 65 of their Illinois circuits (roughly 42%) prior to June 30, 2002. Though over 80% of the time has elapsed between the date the agreement was signed and June 30, 2002, AmerenUE has informed Staff that they intend to complete the tree trimming necessary to meet their agreement. The Commission commends AmerenUE for their tree trimming commitment, and charges Staff to continue to monitor AmerenUE's progress toward meeting this obligation.

In compliance with Part 411.120(b)(3)(A)(iii&iv), AmerenUE listed six specific reliability projects in their 2000 Reliability Report. The six projects are noted on Table 6. This table shows the actual expenditures for the years 1999, 2000 and the budgeted (Planned) amounts for the years 2001 and 2002.

Table 6: AmerenUE's Specific Reliability Projects

Project	1999 Actual	2000 Actual	2001 Planned	2002 Planned
Aerial Sub-transmission Infrared Inspection	\$12,000	\$1,100	\$0	\$12,000
Worst Performing Feeders	\$260,000	\$0	\$0	\$0
Lightning Protection	\$9,400	\$1,000	\$0	\$0
Pole Inspection and Treatment	\$161,000	\$162,000	\$183,000	\$108,000
URD Cable Replacement	\$10,400	\$6,200	\$0	\$0
Annual Tree Trimming	\$1,368,000	\$1,555,000	\$2,560,000	\$2,606,000

As illustrated by Table 6, four of the six specific reliability projects listed by AmerenUE have little or no funds spent in 2000, or budgeted in Illinois for the next two years. The Commission is concerned that AmerenUE's compliance with subsection 120(b)(3)(A) is limited to regular distribution maintenance, specifically their pole inspection and treatment project and their annual tree trimming project. AmerenUE should include projects within their reliability report for which activity is actually anticipated.

7 Potential Reliability Problems and Risks

AmerenUE has had the highest CAIDI of all reporting utilities for the past three years. 421 controllable interruptions made up nearly 18% of all interruptions in AmerenUE's Illinois territory during 2000. Approximately 70% of these controllable interruptions, 13% of all interruptions, were categorized as intentional. These intentional interruptions contributed to the company's duration index, and suggest that reliability to AmerenUE's customers is not always considered when distribution work is planned.

Interruptions categorized as tree related made up another 24% of AmerenUE's controllable interruptions during 2000 (16% of all interruptions). While these percentages should decrease when AmerenUE achieves and maintains a 4-year tree trimming cycle, it is clear that service reliability to their customers will suffer if they do not achieve this goal in a timely way, or do not maintain this cycle over time. Based on Staff's 3rd quarter progress report, at their present pace of trimming trees, AmerenUE will not complete enough circuits to achieve a 4-year tree trimming cycle by June 30, 2002, which is the date to which they agreed in November of 2000. Staff's circuit inspections during the summer of 2001 revealed that much of AmerenUE's distribution system in the East St. Louis area is overhead rear lot easement. Tree contacts on rear lot easements are not easily seen, and can cause long interruptions.

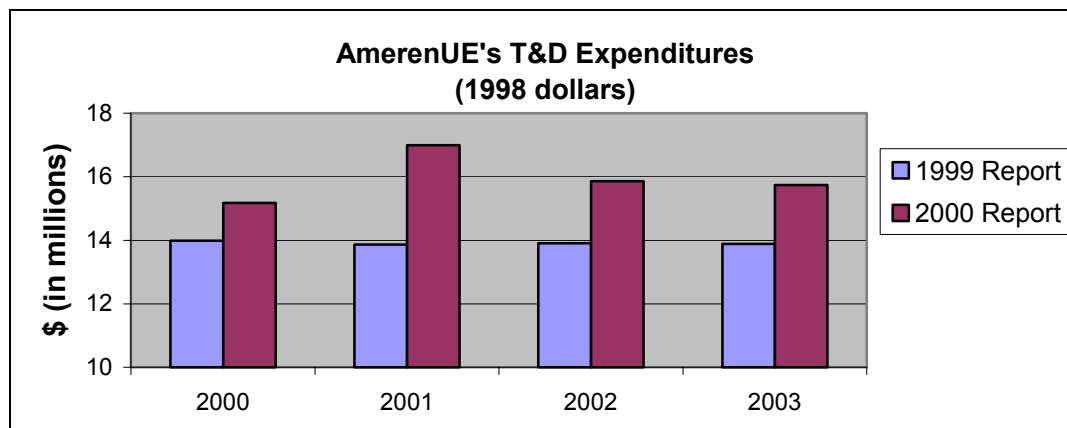
In 2000, overhead equipment related interruptions accounted for 18.4% of all interruptions. In their Reliability Report, AmerenUE provides information on the average age of their distribution investment. They indicate that while only 12% of AmerenUE's Illinois distribution plant is more than 40 years old, 39% their line transformers are over 40 years old (56% are over 30 years old). AmerenUE's transformers have a depreciable life of 40 years, and these statistics indicate a possible increase in the number of transformer failures in coming years. Distribution facilities observed by Staff in the East St. Louis area during circuit inspections were very old in appearance, indicating a need for frequent inspections by AmerenUE to minimize the risk of interruptions due to failing overhead equipment.

8 Review of AmerenUE 's Implementation Plan for the Previous Reporting Period

AmerenUE's planned transmission expenditure projections for the years 2000 through 2003 do not significantly vary from the values shown in their 1999 report. However, AmerenUE indicates that their combined capital and O&M distribution expenditures for the year 2000 were \$1,277,000 higher than shown in their 1999 Reliability Report, an increase of 11%. AmerenUE attributes the higher than expected distribution spending during 2000 to storm related expenses, increased transportation expenses, a facility relocation project, and miscellaneous budget variations, including updated wage costs.

Figure 3 compares AmerenUE's transmission and distribution (T&D) expenditures for the years 2000 through 2003, as shown in their 1999 and 2000 Reliability Reports.

Figure 3: AmerenUE's Combined Capital and O&M Spending (1999 & 2000 Report)



AmerenUE included five specific reliability projects in their 1999 Reliability Report, and added a sixth, URD Cable Replacement, in their 2000 Reliability Report:

Aerial Sub-transmission Infrared Inspection

AmerenUE spent approximately \$25,000 in 2000 to complete items identified by their 1999 infrared inspection. The infrared inspection of the sub-transmission (34kV lines) is scheduled for a 3-year cycle, and no inspections were scheduled for 2000. Nineteen locations that were operating at higher than normal temperatures were identified during 1999 and AmerenUE states that deteriorated connections were the primary cause. While AmerenUE states in their Reliability Report that six circuits would be inspected during 2001, in their response to Staff data requests they designate no funding to do these inspections. Given the overall age of AmerenUE's distribution system in Illinois, Staff believes that it would be beneficial to expand the use of the infrared inspection program to include distribution circuits.

Worst Performing Feeders

In their response to Staff data requests, AmerenUE explained that Ameren (the corporation) designates funds for the 50 worst performing feeders on a corporate-wide basis, and that AmerenUE did not have any worst performing feeders in Illinois. They point out that circuit reliability work can still be done outside of this corporate program, and cite circuits 341-003 and 310-052 as examples. These circuits were 1999 "worst performers" in Illinois according to their SAIFI, CAIFI, and CAIDI, but were not part of Ameren's corporate 50 worst performing circuits. AmerenUE installed four sets of fused switches and completed tree trimming on 341-003 during 2000. On 310-052, AmerenUE upgraded circuit protective devices, and completed tree trimming in problem areas. These actions were appropriate for the type of interruptions customers experienced. There were no repeat worst performing circuits from 1999 to 2000.

Lightning Protection

Only one lightning protection project was reported in 2000. No projects are funded for 2001. This lack of funding is surprising considering that 27.5% of all interruptions in 2000 were categorized as weather related.

Pole Inspection and Treatment

AmerenUE states that \$85,000 was spend in 2000 to inspect and treat or replace approximately 1000 poles (\$85/pole). During 1999, this program spent approximately \$161,000 on 2300 poles (\$70/pole). AmerenUE plans to inspect 1900 poles in 2001 for a cost of \$183,000 (\$96/pole).

Annual Tree Trimming

Approximately \$1,554,000 was spent on tree trimming in 2000, an increase of 13% over the \$1,368,000 spent in 1999. As previously stated, AmerenUE has entered into an agreement with the Commission to achieve and maintain a 4-year tree trimming cycle on all their Illinois circuits by June 30, 2002. Their planned expenditures through 2003 reflect the requirement for increased funding in this area in order to achieve this goal.

URD Cable Replacement

In 2000, AmerenUE added "URD Cable Replacement" to their Reliability Report's list of specific reliability projects. For a cable to be replaced in this program, it must fail twice in a 12-month period. AmerenUE had no cable sections that met this criterion in either 1999 or 2000, but nonetheless replaced cable both years based on District requests for \$10,400 and \$6,200, respectively. No cable replacement projects are funded for 2001. This seems appropriate, as only 32 interruptions in 2000 were categorized as underground equipment related.

9. Summary of Recommendations

AmerenUE should develop more substantive reliability goals with timetables.

As stated previously, AmerenUE listed six specific reliability projects in their Reliability Report, but four of these projects had almost no activity in Illinois during 2000, or funds budgeted for 2001. With the exception of annual tree trimming and pole inspection, AmerenUE proposes no substantive reliability funding or activity for Illinois. This inactivity could lead to a worsening of reliability for their Illinois customers.

AmerenUE should determine how to reduce the average duration time of interruptions.

Unless some modification to their existing practices are undertaken, there is no reason to expect that AmerenUE's high CAIDI will improve, or that their standing as having the worst outage-response of all Illinois utilities will change. This situation is exacerbated by AmerenUE's high percentage of controllable interruptions categorized as "intentional".

AmerenUE should achieve and maintain a 4-year tree trimming cycle.

In their response to Staff data requests, AmerenUE indicates that three Illinois distribution circuits scheduled to be trimmed in 2001 were not previously trimmed since 1994. Tree trimming schedules need to be strictly maintained in order to “catch-up” with the trimming in AmerenUE’s Illinois jurisdiction and then monitored to ensure that tree trimming does not again fall behind. Achieving and maintaining a 4-year tree trimming cycle will help reduce interruptions in at least three of the most frequently occurring categories: weather related, tree related, and unknown. Interruptions in these three categories accounted for over 80% of the time AmerenUE’s Illinois customers were without electricity during 2000.

AmerenUE should increase their efforts to minimize weather-related interruptions.

Nearly 68% of their total customer interruption time during 2000 was categorized as weather related. AmerenUE needs to continue to fuse taps off the main feeder, inspect and repair facilities, and strive to achieve and maintain a 4-year tree trimming cycle in an effort to minimize both the frequency and duration of weather related interruptions.

AmerenUE should develop a plan to inspect, monitor, and replace aging equipment.

Circuit inspections revealed evidence of repairs and upgrades, however staff is concerned with the overall age of the system in some areas. As an example, almost 40% (39.3%) of all the distribution transformers on AmerenUE’s Illinois system are over 40 years old. During Staff inspection of two of AmerenUE’s year 2000 worst performing circuits in East St. Louis, the overall age of the system was evident. During 2000, three interruptions on a single circuit (Circuit 302-001 in East St. Louis) were due to failed switches that were subsequently replaced. While the pole test and treatment program may help in this area, addressing other deteriorating distribution facilities more directly could appropriately become part of AmerenUE’s specific reliability projects.

Attachment A

AmerenUE

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PO Box 66149
St. Louis, MO 63166-6149
314.621.3222

November 24, 2000

Mr. Roy Buxton, Director-Engineering Department
Illinois Commerce Commission
527 East Capital Avenue
Springfield, IL 62701



Dear Mr. Buxton:

This is to confirm that we accept your proposal to have the AmerenUE Alton/East St. Louis districts distribution lines in compliance with a four year trim cycle by June 30, 2002. I am also in receipt of Mr. Bill Riley's E-mail of November 17, 2000, proposing tree trimming reporting requirements. We currently have a crew inspection that meets the suggested field inspection requirements and will certainly furnish the reports as requested.

Mr. Jim Spencer also requested an update on the distribution budget information for the Alton/East St. Louis districts. That information is listed below:

Year	2001 - \$2,560,000
	2002 - \$2,606,000
	2003 - \$2,213,000
	2004 - \$2,261,000
	2005 - \$2,311,000

Thanks again for making your time available to us. It was a pleasure meeting each of you.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "John Bieller".

John Bieller
Manager, Forestry

Jb

cc: Mr. Jim Spencer, Engineering Department
Mr. Bill Riley, Engineering Department

a subsidiary of Ameren Corporation